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**ORIGINAL**

**BEFORE THE ARIZONA CORPORATION COMMISSION**

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Arizona Corporation Commission

2010 FEB 18 P 1:48

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ARIZONA CORPORATION COMMISSION  
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- 2 COMMISSIONERS
- 3 KRISTIN K. MAYES, Chairman
- 4 GARY PIERCE
- 5 PAUL NEWMAN
- 6 SANDRA D. KENNEDY
- 7 BOB STUMP

8 IN THE MATTER OF THE APPLICATION OF  
 9 WILHOIT WATER COMPANY, INC., YAVAPAI  
 10 MOBILE HOME ESTATES SYSTEM, FOR AN  
 11 EMERGENCY RATE INCREASE.

DOCKET NO. W-02065A-08-0592

**PROCEDURAL ORDER**

9 **BY THE COMMISSION:**

10 On December 10, 2008, Wilhoit Water Company, Inc., Yavapai Mobile Home Estates System  
 11 (“Company” or “Applicant”) filed with the Arizona Corporation Commission (“Commission”) an  
 12 application requesting an emergency rate increase of approximately 100 percent by doubling its base  
 13 rates and its gallonage charges because the Company indicated that, due to a lack of potable water  
 14 production from its two wells, all of its water was being purchased from the City of Prescott (“City”)  
 15 (“Application”). The cost of water purchased from the City greatly exceeded the Company’s revenues  
 16 from its customers.

17 On February 17, 2009, by Procedural Order, a status conference was scheduled on February  
 18 26, 2009.

19 On February 26, 2009, at the status conference, both Staff and the Company appeared with  
 20 counsel. The parties discussed issues pending in the proceeding, but more particularly, official  
 21 confirmation from the City that it would continue to provide water to the Company for its customers,  
 22 the Company’s possibly seeking Commission modification of Decision No. 70384 (June 13, 2008)  
 23 pursuant to A.R.S. § 40-252 to request approval of an Arsenic Remediation Surcharge Mechanism  
 24 (“ARSM”) in place of the Arsenic Cost Recovery Mechanism (“ACRM”) previously approved, and  
 25 whether additional action should be taken.

26 On March 17, 2009, the Company, pursuant to A.R.S. § 40-252, filed a request that the  
 27 Commission amend Decision No. 70384 to replace the previously approved ACRM that was to be  
 28 utilized to recover the cost for the installation of its arsenic remediation system with a long-term loan

1 from the Water Infrastructure Authority (“WIFA”) to fund the costs for the arsenic remediation system  
2 using an ARSM. The Company also filed a new financing application in Docket No. W-02065A-09-  
3 0123 for Commission approval of the financing required for the arsenic remediation system. This  
4 docket was subsequently consolidated by Procedural Order with the reopening of Decision No. 70384,  
5 which the Company requested that the Commission amend in Docket No. W-02065A-07-0308 et al.

6 On May 6, 2009, at a procedural conference in Docket No. W-02065A-07-0308 et al., the  
7 Applicant and Staff appeared with counsel. The parties discussed a methodology for amending  
8 Decision No. 70384 in the light of the Company’s recent financing application for the Commission’s  
9 approval of long-term debt of a WIFA loan which would be paid for by utilizing an ASRM in place of  
10 the ACRM originally approved in the Decision. The parties further discussed the following: the time  
11 required by Staff for the preparation of a Staff Report on the new financing application by the  
12 Company in Docket No. W-02065A-09-0123; the time allowed for a Company response; the  
13 requirement for a proper form of public notice; and the probable need for a brief hearing on the  
14 application. Additionally, it was decided that further processing of the Company’s emergency rate  
15 application herein would be suspended pending a resolution of the amendment of Decision No. 70384  
16 and pending Commission action on the financing application in Docket No. W-02065A-09-0123.

17 On May 14, 2009, by Procedural Order, a hearing was scheduled for July 9, 2009, on the  
18 amendment of Decision No. 70384 and Company’s new financing application.

19 On May 15, 2009, by Procedural Order, further action in this proceeding was suspended  
20 pending the outcome of the proceeding to amend Decision No. 70384 and Commission action on the  
21 financing application in Docket No. W-02065A-09-0123.

22 On July 9, 2009, the hearing was held as scheduled on the amendment of Decision No. 70384  
23 and the Company’s financing application in Docket No. W-02065A-09-0123.

24 On August 6, 2009, the Commission issued Decision No. 71235 which amended Decision No.  
25 70384 as requested by the Company and approved the Company’s financing application in Docket No.  
26 W-02065A-09-0123.

27 On February 3, 2010, the Company filed a request to withdraw its application for emergency  
28 rate relief in this docket. There are no objections to the Company’s request.

1 Accordingly, this docket should be administrative closed.

2 IT IS THEREFORE ORDERED that Docket No. W-02065A-08-0592 is hereby closed  
3 **administratively.**

4 DATED this 18<sup>th</sup> day, of February, 2010.

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7   
8 MARC E. STERN  
9 ADMINISTRATIVE LAW JUDGE

10 Copies of the foregoing mailed/delivered  
11 this 18<sup>th</sup> day of February, 2010 to:

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28 Debra Broyles  
Secretary to Marc E. Stern